ZICOM

Feel Safe

January 9, 2017

The Secretary / Corporate Relationship Dept.
The Bombay Stock Exchange Limited.
P.J. Towers,
Dalal Street, Fort,
Mumbai 400001.

Stock Code: 531404

The Manager
Listing Department,
National Stock Exchange of India Ltd.
'Exchange Plaza', C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai 400051.

Stock Code: ZICOM

Ref: ISIN INE 871B01014

Dear Sir / Madam,

Sub: Submission of Postal Ballot Notice

With reference to our letter dated December 30, 2016 intimating approval of Board of Directors of the Company to conduct Postal Ballot for seeking approval of the Members for businesses mentioned in the Postal Ballot Notice; and pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Postal Ballot Notice dated December 30, 2016 alongwith Postal Ballot Form, which have been dispatched to all the Members of the Company.

Kindly take the above on record and acknowledge receipt of the same.

Thanking you,

Yours faithfully,
For **Zicom Electronic Security Systems Limited**

K. Trivedi

Kunjan Trivedi
Company Secretary

Encl: as above

Zicom Electronic Security Systems Limited

CIN: L32109MH1994PLC083391
Regd. Office: 501, Silver Metropolis, Western Express Highway, Goregaon (East), Mumbai 400063.
Tel.: 22 4290 4290 | Fax: 22 4290 4291 | Email: investors@zicom.com | Website: www.zicom.com

POSTAL BALLOT NOTICE

(Pursuant to Section 110 of the Companies Act, 2013, as amended, read with the Companies (Management and Administration) Rules, 2014)

Dear Member(s),

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 (the "Companies Act"), read with the Companies (Management and Administration) Rules, 2014 (the "Rules") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and other applicable laws and regulations, that Zicom Electronic Security Systems Limited ("the Company") is seeking consent of its Members through Postal Ballot / electronic voting (e-voting) for matters as considered in the Resolutions appended below.

Accordingly, draft of the proposed Special Resolutions, together with the respective Explanatory Statement pursuant to Section 102 of the Companies Act in respect of the special businesses of the Notice is being sent to you alongwith a Postal Ballot Form and self-addressed postage prepaid envelope for your consideration and voting. The Board of Directors of the Company has appointed Ms. Purvi Vasha, Practicing Company Secretary, as the Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

As required under Regulation 44 of SEBI LODR and in compliance with Section 108 of the Companies Act and the Rule 20 of the Rules, the Company is providing e-voting facility to the Members of the Company and in this regard, it has engaged the services of Central Depository Services Limited ("CDSL").

Members desiring to opt for e-voting as per the facilities arranged by the Company are requested to read the instructions in Note No. 12 under the section 'Instructions for Voting through electronic means' in this Notice.

Members voting through physical Ballot Form are requested to carefully read the instructions printed in the accompanying Postal Ballot Form and return the same alongwith Assent (FOR) or Dissent (AGAINST), in the attached self-addressed postage prepaid envelope so as to reach the Scrutinizer on or before 5:00 p.m. on Monday, February 6, 2017. Please note that any Postal Ballot Form(s) received after the said date and time will be treated as not having been received.

The Scrutinizer will submit her Report to the Chairman after completion of the scrutiny of the Postal Ballots received and the votes casted by electronic mode. The Chairman of the Company will declare the Results of the Postal Ballot (including e-voting) not later than February 8, 2017 at 5:00 p.m. at the Registered Office of the Company at 501, Silver Metropolis, Western Express Highway, Goregaon (E), Mumbai 400063 and communicate to the Stock Exchanges. The Results of the Postal Ballot alongwith the Scrutinizer's Report will also be posted on the Company's website viz. www.zicom.com and on the website of CDSL viz. www.evotingindia.com and the same will be published in the Newspaper (English and Vernacular).

SPECIAL BUSINESS :

1. Increase in Authorized Share Capital of the Company and Alteration of Capital Clause in the Memorandum and Articles of Association of the Company:

To consider and if thought fit, to pass the following Resolution as a Special Resolution :

"**RESOLVED THAT** pursuant to the provisions of Sections 13, 61 and 64 and other applicable provisions, if any, of the Companies Act, 2013 as amended, and the Rules made thereunder (including any statutory modification(s) thereto or re-enactment(s) thereof for the time being in force) (the "Companies Act"), consent of Members of the Company be and is hereby accorded to increase the authorized share capital of the Company from Rs. 250,000,000/- (Rupees Twenty Five Crores only) divided into 25,000,000 (Two Crores Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten only) each to Rs. 500,000,000/- (Rupees Fifty Crores only) divided into 50,000,000 (Five Crores) Equity Shares of Rs. 10/- (Rupees Ten only) each, by way of creation of 25,000,000 (Two Crores Fifty Lakhs) new Equity Shares of Rs. 10/- (Rupees Ten only) each, aggregating to Rs. 250,000,000/- (Rupees Twenty Five Crores only) and the existing Clause V of the Memorandum of Association of the Company be and is hereby substituted and replaced with the following Clause:-

V. The Authorized Share Capital of the Company is Rs. 500,000,000/- (Rupees Fifty Crores only) divided into 50,000,000 (Five Crores) Equity Shares of Rs. 10/- (Rupees Ten only) each with power to increase and reduce the capital of the Company and to divide or subdivide the shares in capital for time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by the Board in accordance with the Articles of the Company for the time being and to modify or abrogate of any such rights, privileges or conditions in such manner as may be permitted by the Act, or provided by the Articles of the Company for the time being in force.

RESOLVED FURTHER THAT pursuant to Section 14 and other applicable provisions, if any, of the Companies Act, the Articles of Association of the Company be altered by substituting the following new Article in place of the existing Article 3:

3. The Authorized Share Capital of the Company will be as specified in Clause V of the Memorandum of Association of the Company, as amended from time to time.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of Directors which the Board may have constituted or may hereinafter constitute to exercise its powers including powers conferred on the Board by this Resolution) be and is hereby authorized to take such steps as may be necessary and to do all such acts, deeds and things as may be necessary, proper, or expedient to give effect to this Resolution."

2. Conversion of Debt into Equity Shares of the Company:

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 23, 42 and 62 read with Companies (Management and Administration) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013, (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (the "Companies Act"), and in accordance with the Memorandum of Association and Articles of Association of the Company, the Reserve Bank of India ("RBI") Circulars on the Strategic Debt Restructuring Scheme ("SDR Scheme") dated June 8, 2015, September 24, 2015, February 25, 2016 and November 10, 2016, ("RBI Circulars"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations"), the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("SEBI SAST Regulations"), applicable provisions of Uniform Listing Agreement under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR Regulations"), all as amended from time to time, and other applicable rules, regulations, notifications, amendments issued by Government of India, RBI, SEBI, Joint Lenders Forum ("JLF") and any other regulatory or other appropriate authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, sanctions and consents and all such other approvals (including approvals of the JLF Lenders of the Company) and pursuant to the in-principle invocation of the provisions of SDR Scheme by the JLF, subject to approval from their respective competent authorities, (as approved in the meeting of the JLF held on August 16, 2016), in terms of the RBI Circulars; consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of Directors which the Board may have constituted or may hereinafter constitute to exercise its powers including powers conferred on the Board by this Resolution), to amend, alter and modify the financing documents (the "Financing Documents") executed amongst the Company and the Lenders mentioned thereunder (the "JLF Lenders") to include provisions to invoke SDR Scheme with an option to the JLF Lenders to convert the whole or part of their debt (interest / installment of loan) of the Company (whether then due or payable or not) ("outstanding dues"), into fully paid-up Equity Shares of the Company, so as to collectively acquire minimum shareholding of 51% or more by the JLF Lenders in the paid-up equity share capital of the Company, at a price as determined in accordance with the guidelines issued by the Reserve Bank of India, from the date (which date is hereinafter referred to as the "date of conversion") and in the manner specified in a notice in writing to be given by the JLF Lenders to the Company (which notice is hereinafter referred to as the "conversion notice") and inter-alia in accordance with the following conditions:

i) The conversion right reserved as aforesaid may be exercised by the JLF Lenders in accordance with the RBI Circulars;

ii) The price of conversion of the outstanding debt into fully paid-up equity shares of the Company shall be at the conversion price to be determined in accordance with the SDR Scheme as may be approved by JLF / JLF Lenders under RBI Circulars;

iii) On receipt of the conversion notice, the Company shall issue and allot the requisite number of fully paid-up equity shares to the JLF Lenders as from the date of conversion which allotment shall either be pro-rata to the debt owed by the Company to each JLF Lender or in such other proportion as the JLF Lenders may inter-se agree and specify in the conversion notice and the JLF Lenders shall accept the same in satisfaction of the part of the loans so converted;

iv) Any conversion in terms of SDR Scheme shall be subject to applicable guidelines issued by the RBI, provisions of the Companies Act and by SEBI. The Company shall take all corporate and other actions as may be required for issuance of Equity Shares pursuant to the exercise of conversion right by the JLF Lenders, including but not limited to the passing of required resolutions and intimation to the Stock Exchanges;

v) The conversion shares so issued and allotted , from the date of conversion, shall rank pari-passu in all respects with the existing equity shares of the Company, including dividend entitlement;

vi) The outstanding dues so converted shall cease to carry interest as from the date of conversion and the financial facilities shall stand correspondingly reduced. Upon such conversion, the installments of the financial facilities payable after the date of conversion as per the Financing Documents shall stand reduced proportionately by the amounts of the outstanding dues so converted;

vii) The Company shall, at al times, maintain sufficient un-issued authorized equity shares for the above purpose and obtain all requisite corporate approvals and authorizations as may be required in this regard;

viii) In the event that the JLF Lenders exercise the conversion right as aforesaid, the Company shall at its cost get the equity shares, issued to the JLF Lenders as a result of the conversion, listed with such stock exchanges as may be prescribed by the JLF Lenders as also comply with all statutory requirements and applicable laws in connection with the issue of the conversion shares as stated above;

ix) In the event that the JLF Lenders exercise the conversion right as aforesaid, the JLF Lenders may, for the purposes of divesting their shareholding in the Company in compliance with the SDR Scheme, sell the equity shares so acquired to a new investor in accordance with RBI Circulars;

x) In the event that the JLF Lenders exercise the conversion right as aforesaid, the equity shares so acquired by the JLF Lenders shall be locked-in for a period of one year commencing from the date of receipt of the trading approval in respect of such equity shares or such other period as may be prescribed, provided for the purpose of transferring the control, the JLF Lenders may transfer their shareholding to the new investor before completion of the lock-in period subject to continuation of the lock-in on such equity shares on the remaining period with the transferee.

RESOLVED FURTHER THAT subject to compliance with applicable laws, the Board be and is hereby authorized to offer, issue and allot, in one or more tranches, such number of Equity Shares of face value of Rs. 10/- each fully paid-up, to the JLF Lenders, on preferential basis, at a conversion price to be determined as per RBI Circulars in such manner and on such other terms and conditions as may be mutually agreed between the Board and the JLF Lenders in accordance with SDR Scheme under RBI Circulars; PROVIDED however that the JLF Lenders shall convert such amount of outstanding dues which shall enable them to collectively acquire and hold minimum 51% or more of the total paid-up equity share capital of the Company which works out to 21,024,312 (Two Crores Ten Lakhs Twenty Four Thousand Three Hundred Twelve) Equity Shares of the Company.

RESOLVED FURTHER THAT the Reference Date / Relevant Date in relation to pricing of the aforesaid issue of Equity Shares, in accordance with the SDR Scheme as may be approved by JLF under RBI Circulars and SEBI ICDR Regulations would be August 16, 2016, being the date when the JLF accorded its "In-principle" approval to invoke SDR Scheme.

RESOLVED FURTHER THAT the Board be and is hereby authorized to negotiate and accept such modifications and to negotiate and accept such terms and conditions as may be imposed or required by the JLF / JLF Lenders from or incidental to the aforesaid terms providing for such option and to do all such acts, deeds, matters and things as may be necessary to give effect to the above Resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution and the conversion right of the JLF Lenders, including pursuant to the RBI Circulars, the Board, be and is hereby authorized to do all such acts, deeds, matters and things, as the JLF / JLF Lenders and other appropriate authorities may require and the Board may in its absolute discretion deem necessary, proper or desirable as may be required to create, offer, issue and allot the requisite number of equity shares, to list them with the Stock Exchange(s), to apply for and obtain necessary listing and trading approvals of the equity shares to be issued and allotted to the JLF Lenders upon conversion of their outstanding due amounts (or part thereof), to dematerialize the said fully paid-up equity shares of the Company, to convert the part outstanding debt into fully paid-up equity shares of the Company, effectuate the change in ownership of the Company in favour of the JLF Lenders as per the SDR Scheme as may be approved by JLF under RBI Circulars, and to modify, accept and give effect to any modifications in the terms and conditions of the issue(s) as may be required by the statutory, regulatory and other appropriate authorities (including but not limited to SEBI, RBI, JLF, etc.) and such other approvals (including approvals of the existing JLF Lenders of the Company, if any) and as may be agreed by the Board, and to resolve and settle any question, difficulty or doubt that may arise in this regard including but not limited to size, pricing and other terms and conditions of the issue, offer and allotment of the equity shares and to do all such other acts, deeds, matters, applications, and things in connection or incidental thereto including but not limited to share subscription agreements, in connection with the proposed issue as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the Members or otherwise to that end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this Resolution.

RESOLVED FURTHER THAT subject to applicable law, the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any one or more Directors of the Company, with power to delegate to any officers of the Company, to give effect to this Resolution."

3. Re-appointment of Mr. Pramoud Rao (DIN: 00010743) as Managing Director of the Company:

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V to the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the approval of the Nomination and Remuneration Committee of Directors and the Board of Directors granted at their respective meetings held on December 30, 2016; and subject to approval of the Central Government if required; approval of the Members of the Company be and is hereby accorded to the re-appointment of Mr. Pramoud Rao (DIN: 00010743) as Managing Director and Key Managerial Personnel of the Company, for a further period of five years effective from March 1, 2017 till February 28, 2022, upon the terms and conditions including the terms of his remuneration for a period of three years, effective from March 1, 2017 till February 29, 2020, as detailed in the explanatory statement attached hereto, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the terms and conditions of the said re-appointment and / or agreement in such manner as may be agreed to between the Board of Directors and Mr. Pramoud Rao.

RESOLVED FURTHER THAT the Nomination and Remuneration Committee of Directors / Board of Directors be and is hereby authorised to decide on the increment of the Managing Director, after reviewing the performance of the Company and the Managing Director, from time to time, which shall be within the limits of the salary grade specified in above, subject to the ceiling limits as mentioned above and under the provisions of the Companies Act, 2013, or any modification(s) or re-enactment(s) thereof for the time being in force.

RESOLVED FURTHER THAT in the event of absence or inadequacy of profits in any financial year of the Company during the said tenure of Mr. Pramoud Rao's office as the Managing Director; the remuneration, perquisites and benefits as specified above (except commission) be paid or granted to Mr. Pramoud Rao, subject to the ceiling limit specified under Schedule V to the Companies Act, 2013; and if the said remuneration is in excess of the ceiling prescribed, necessary approval of the Central Government be obtained, if required.

RESOLVED FURTHER THAT the Board / Committee of Directors be and are hereby authorised to do all such acts, deeds, matters and things, as in its absolute discretion, it may consider necessary, expedient or desirable in order to give effect to this Resolution."

By **Order of the Board of Directors**

Kunjan Trivedi
Company Secretary

Date: December 30, 2016
Place: Mumbai

Registered Office:
501, Silver Metropolis,
Western Express Highway,
Goregaon East, Mumbai 400063.

NOTES:

1. Pursuant to Section 102 read with Section 110 and other applicable provisions, if any, of the Companies Act, 2013, the relative Explanatory Statement and reasons for the proposed Resolutions under Item Nos. 1 to 3 above is annexed herewith and forms part of this Notice.
2. All documents referred to in this Notice and the Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 shall be open for inspection by the Members at the Registered Office of the Company on all working days between 11:00 a.m. to 1:00 p.m., upto the date of declaration of Results of the Postal Ballot.
3. Resolutions passed by the Members through Postal Ballot are deemed to have been passed effectively at a general meeting of the Members of the Company held on the date of declaration of Results of the Postal Ballot.

4. The Notice is being sent to all the Members whose names appear in the Register of Members / List of Beneficial Owners as on December 30, 2016. Voting Rights shall be reckoned on the paid-up value of the shares registered in the names of the Members as on said date. A person who is not a Member as on December 30, 2016 should treat this Notice for information purpose only.

5. Members have the option either to vote through the e-voting process or through the Postal Ballot Form. A Postal Ballot Form along with self-addressed postage prepaid envelope is also enclosed. Postage will be borne and paid by the Company. However, envelopes containing Postal Ballot Forms, if sent by courier or by Registered Post at the expense of the registered Member, will also be accepted. The Members voting in physical form are requested to carefully read the instructions printed in the attached Postal Ballot Form. The envelope containing the Postal Ballot should reach the Scrutinizer not later 5:00 p.m. on February 6, 2017. Any Postal Ballot Form received after the said date and time shall be treated as if the reply from the Member has not been received.

6. In terms of Sections 108, 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is providing facility to the Members to cast their votes on the items of business given in the Notice through electronic voting systems, through e-voting platform provided by Central Depository Services Limited (CDSL). The Members may cast their votes on electronic voting system. The e-voting period will commence at 9:30 a.m. on Sunday, January 8, 2017 and will end at 5:00 p.m. on Monday, February 6, 2017. The e-voting will not be allowed beyond the aforesaid date and time and the e-voting module shall be disabled upon expiry of aforesaid period. The Company has appointed Ms. Purvi Vasha, Practicing Company Secretary (Membership No. 17123), to act as the Scrutinizer, for conducting the Postal Ballot process in a fair and transparent manner. The Members desiring to vote through electronic mode may refer to the detailed procedure on e-voting given hereinafter.

7. Kindly note that the Members can opt only one mode of voting i.e. either by physical Postal Ballot or e-voting. If you are opting for e-voting, then do not vote by physical Postal Ballot and vice versa. However, in case the Members cast their vote by physical Postal Ballot and e-voting, then voting done by e-voting shall prevail and voting done through valid physical Ballot will be treated as invalid.

8. For any grievances / queries connected with the voting by physical Postal Ballot, Members may contact the undersigned at investors@zicom.com or write to her at Registered Office of the Company.

9. The Scrutinizer will submit her report to the Chairman of the Company or in his absence by any other person, so authorized by the Chairman, after completion of scrutiny of Postal Ballot Forms received. The Results of the Postal Ballot will be announced by the Chairman or in his absence by any other person, so authorized by the Chairman not later than February 8, 2017 at 5:00 p.m. at the Registered Office of the Company situated at 501, Silver Metropolis, Western Express Highway, Goregaon East, Mumbai 400063. The Results of the Postal Ballot alongwith the Scrutinizer's Report will be informed to the Stock Exchanges, be published in the Newspaper (English and Vernacular) immediately after declaration of the Results and uploaded on the websites of the Company www.zicom.com and of Central Depository Services Limited (CDSL) www.evotingindia.com.

10. The declaration by Chairman as stated above shall be treated as declaration of the Results by the Chairman at a meeting of the Members.

11. Members are requested to carefully read the instructions printed on the backside of the Postal Ballot Form before exercising their vote.

12. **Instructions for Voting through electronic means:**

i. The voting period begins on January 8, 2017 (9.30 a.m.) and ends on February 6, 2017 (5.00 p.m.). During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of December 30, 2016, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii. The Members who have already voted prior to the Meeting date would not be entitled to vote at the Meeting venue.

iii. The Members should log on to the e-voting website www.evotingindia.com.

iv. Click on "Shareholders" tab.

v. Now Enter your User ID

a. For CDSL: 16 digits Beneficiary ID

b. For NSDL: 8 character DP ID followed by 8 digits Client ID

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

vi. Next enter the Image Verification as displayed and Click on Login.

vii. If you are holding shares in dematerialized form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

viii. If you are a first time user, follow the steps given below:

For Members holding shares in Dematerialized Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number (refer serial no. printed on the Postal Ballot Form) in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your Demat account or in the Company records in order of login. • If both the details are not recorded with the Depository or Company please enter the Member ID / Folio Number in the Dividend Bank details field as mentioned in instruction (v).

ix. After entering these details appropriately, click on "SUBMIT" tab.

x. Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

xi. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xii. Click on the EVSN of <ZICOM ELECTRONIC SECURITY SYSTEMS LIMITED> on which you choose to vote.

xiii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiv. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

xv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xvi. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xvii. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xviii. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password and enter the details as prompted by the system.

xix. Shareholders can also cast their vote using CDSL's mobile App m-Voting available for android based mobiles. The m-Voting App can be downloaded from Google Play Store. Apple and Windows phone users can download the App from the App Store and the Windows Phone Store respectively on or after 30th June, 2016. Please follow the instructions as prompted by the mobile App while voting on your mobile.

xx. **Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.

xxi. In case of any grievances / queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under Help Section or write an email to helpdesk.evoting@cdslindia.com.

xxii. In case a person has become a Member of the Company after dispatch of Postal Ballot Notice but on or before the cut-off date for e-voting i.e. December 30, 2016, he / she may obtain the User Id and Password in the manner as mentioned in (i) to (xxi) above.

EXPLANATORY STATEMENTS AND REASONS FOR THE PROPOSED RESOLUTIONS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NOS. 1 AND 2:

As the Members are aware, Zicom Group, spearheaded by Zicom Electronic Security Systems Ltd. (ZESSL), is engaged in the business of distribution of electronic security systems in India for over two decades. The Group expanded its businesses in security and fire protection related businesses in India and Middle East over the years. In India, Zicom SaaS Private Limited, wholly owned subsidiary of Zicom Electronic Security Systems Ltd., provides managed security services for a minimal monthly charges. The company protects remotely located retail shops, retail chains, bank branches, ATMs, residences / societies, etc. using electronic security equipment and offers remote security services through its command and control centre located in Mumbai.

Out of the total group revenue, about 58% of the revenue is contributed by overseas business of fire protection while 42% business is contributed by Indian business of electronic security.

Due to prolonged fall in the crude oil prices, Middle East economy which was substantially dependent on oil revenues is severely impacted, resulting in slow moving and in some cases stoppage of projects in the region. Both the group companies, Unisafe Fire Protection Specialists LLC, Dubai and Phoenix International WLL, Qatar, being specialized in fire protection business and working under MEP and EPC contractors, landed into difficult situation due to slow realization of debtors. This has resulted in cashflow crunch in the operations of both these companies. Both these companies tried to manage this critical situation through various means of cost cutting. However they could not meet their respective obligations towards parent company for the loans extended by parent company, i.e. ZESSL. This has impacted the entire Group's financials and resulted in strain in the working capital of all the group companies including ZESSL.

ZESSL had availed financial assistance on the terms and conditions of the Financing Documents from various Lenders (the "JLF Lenders") for the purposes set forth in the respective financing documents entered into between ZESSL and the JLF Lenders. Owing to non-recovery of loans from Middle East subsidiaries, economic downturn, delay in realization of receivables and scarcity of working capital and its consequent impact on operations, ZESSL had not been able to perform its operations at optimal levels; leading to liquidity strain in ZESSL. This resulted in delay in settlement of interest obligations of the JLF Lenders. All attempts made by ZESSL to dilute its stake in the Middle East subsidiaries and infuse cash in the operations of group companies could not materialize. As a result, ZESSL's account slipped into the SMA category with most JLF Lenders.

As per prevailing RBI Guidelines, the Lenders had accordingly formed a Joint Lenders' Forum ("JLF") in order to rectify the account and support ZESSL. However, within short period, ZESSL could not resolve its liquidity stress on time. Subsequently, during the JLF meeting held on August 16, 2016, the JLF in-principally decided to invoke the provisions of Strategic Debt Restructuring Scheme ("SDR Scheme"), subject to approval from their respective competent authorities, with the Reference Date being August 16, 2016 for asset classification purpose and for determining the timelines.

Accordingly, the JLF Lenders have asked Board of Directors of your Company to seek approval of Members of the Company by way of a special resolution to create, amend, alter and modify provisions of Financing Documents to enable implementation of SDR Scheme as may be approved by JLF under RBI Circulars by converting outstanding dues into fully paid-up equity shares constituting minimum 51% or more of the paid-up equity share capital of your Company subject to approval of respective competent authorities of JLF Lenders.

In terms of the requirement of Section 102 of the Companies Act, 2013 ("Companies Act") read with Rule 13(2) of the Companies (Share Capital and Debentures) Rules, 2014 the following disclosures are made:

1. Objects of the Preferential Issue:

The purpose of the proposed issue and allotment of the Equity Shares is to convert part of the outstanding amount of Debt into Equity Shares of the Company pursuant to SDR Scheme invoked by JLF.

2. Intention of the Promoters / Directors / Key Managerial Personnel to subscribe to Equity Shares:

The Promoter, Directors or Key Managerial Personnel do not have the intention to subscribe to the offer.

3. Total number of Equity Shares to be issued:

21,024,312 (Two Crores Ten Lakhs Twenty Four Thousand Three Hundred Twelve) Equity Shares of the Company, of face value of Rs. 10/- each fully paid-up, to the JLF Lenders, on preferential basis, at a conversion price to be determined as per RBI Circulars, in such manner and on such other terms and conditions as may be mutually agreed between the Board and the JLF / JLF Lenders in accordance with SDR Scheme under RBI Circulars, which shall enable the JLF / JLF Lenders to collectively acquire and hold minimum 51% or more of the total paid-up equity share capital of the Company.

4. Relevant Date, Price at which allotment is proposed and basis on which the price has been arrived at alongwith report of the registered valuer:

Since the preferential allotment is to be made as per the SDR Scheme as may be approved by JLF under RBI Circulars, the Relevant Date i.e. Reference Date for the purpose of calculating the conversion price of the Equity Share to be issued will be the date on which JLF accorded "In-principle" approval to invoke SDR Scheme i.e. August 16, 2016. However, as per SEBI ICDR Regulations, the conversion price shall be determined in accordance with the guidelines specified by RBI for SDR, which shall not be less than the face value of the Equity Share.

In terms of the RBI Circulars on SDR Scheme, conversion of outstanding debt (principal as well as unpaid interest) into Equity instruments should be at a 'Fair Value' which will not exceed the lowest of the following, subject to the floor of 'Face Value':

a) Market Value: Average of the closing prices of the Equity Shares on a recognized stock exchange during the ten trading days preceding the 'Reference Date' indicated below i.e. August 16, 2016 comes to Rs. 43.05;

b) Break-up value: Book Value per share to be calculated from the Company's latest audited balance sheet (without considering 'Revaluation Reserves', if any) adjusted for cash flows and financials post the earlier restructuring comes to Rs. 101.91.

On the basis of the above mentioned formula, the proposed issue and allotment of 21,024,312 Equity Shares will be at Rs. 43.05 per Equity Shares, being the Fair Value as specified under RBI Circulars.

The proposed Special Resolution at Item No. 2 authorizes the Board to negotiate and agree on the conversion price with the JLF / JLF Lenders in line with the pricing formula as specified under RBI Circulars.

The above conversion price of Rs.43.05 per Equity Shares for converting debt into Equity Shares has been certified by two independent qualified valuers as defined under the Securities Exchange Board of India (Issue of Sweat Equity) Regulations, 2002.

In terms of SEBI Circular, bearing no. SEBI-NRO/OIAE/GN/2015-16/003 dated May 5, 2015; the provisions of Chapter VII of SEBI (ICDR) Regulations, 2009 are not applicable to any allotments to be made to banks and financial institutions pursuant to a Strategic Debt Restructuring Scheme, subject to the fulfillment of following conditions:

a) The conversion price shall be determined in accordance with the guidelines specified by the Reserve Bank of India for strategic debt restructuring scheme, which shall not be less than the face value of the equity shares;

b) The conversion price shall be certified by two independent qualified valuers, and for this purpose 'valuer' shall have the same meaning as assigned to it under clause (r) of sub-regulation (1) of regulation 2 of the Securities and Exchange Board of India (Issue of Sweat Equity) Regulations, 2002;

c) Equity shares so allotted shall be locked-in for a period of one year from the date of trading approval;

d) Applicable provisions of the Companies Act, 2013 are complied with.

Accordingly, the regulations of Chapter VII of SEBI ICDR Regulations shall not apply since the proposed preferential issue and allotment of Equity Shares to JLF Lenders is pursuant to conversion of debt as part of SDR.

5. Lock-in Period:

The Equity Shares allotted to the JLF shall be subject to lock-in for a period of one year from the date of trading approval.

6. Class of persons to whom the allotment is proposed:

The proposed preferential issue and allotment of Equity Shares would be made to the JLF Lenders pursuant to the SDR, as mutually agreed between JLF / JLF Lenders and Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee of Directors which the Board may have constituted or may hereinafter constitute to exercise its powers including powers conferred on the Board by this Resolution).

7. Name of the Proposed Allottees and the percentage of debt owed by the Company to the Lenders:

The conversion of debt into Equity Shares of the Company shall either be pro-rata to the debt owed by the Company to each Lender or in such other proportion as the JLF may inter-se agree and notify to the Company in the notice of conversion given by the JLF Lenders to the Company in writing. The table below reflects fund based debt owed by the Company to the Consortium Lenders:

Sr. No.	Consortium Lenders	Fund based debt Outstanding as on August 16, 2016 (including accrued interest) (in Rs. Crore)	As a % of Total Debt
1.	IDBI Bank Limited	68.71	38.35
2.	Bank of Baroda	50.49	28.18
3.	Union Bank of India	25.51	14.24
4.	Central Bank of India	14.75	8.23
5.	Allahabad Bank	5.19	2.90
6.	The Saraswat Co-operative Bank Ltd.	14.52	8.10
	Total	**179.17**	**100.00**

8. Proposed time within which the allotment shall be completed:

Since the proposed preferential issue and allotment of shares on private placement basis is pursuant to SDR, the requirement of completion of allotment within a period of fifteen days from the date of passing the resolution as per SEBI ICDR Regulations is not applicable. However, the allotment of shares will be completed within twelve months from the date of the approval of the resolution by the Members of the Company.

9. The change in control, if any, in the Company that would occur consequent to the preferential offer:

In terms of RBI Circular, JLF Lenders will hold not less than 51% of the paid up capital of the Company subsequent to the issue and allotment of proposed Equity Shares notwithstanding the current holding of the Promoter(s). Consequent to the proposed preferential issue and allotment of Equity Shares, JLF Lenders shall have the right to divest their holdings in the Equity Shares of the Company to new investor(s) in accordance with the RBI Circulars. However, as per current guidelines the management control of the Company will remain with the existing management of the Company.

10. The number of persons to whom allotment on preferential basis have already been made during the year in terms of number of securities as well as price:

During the year, the Company has not made any allotment on preferential basis to any person.

11. Justification for allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer:

The proposed issue and allotment of Equity Shares is pursuant to the conversion of debt into equity shares in accordance to the SDR Scheme of RBI and hence the aforesaid disclosure is not required.

12. Pre issue and post issue shareholding pattern of the Company:

The shareholding pattern of the Company as on December 30, 2016 and excludes subsequent transfers and allotments:-

Sr. No.	Category	Pre Issue		Post Issue	
		No. of Shares	%	No. of Shares	%
(A)	**Promoters Shareholding**				
1	**Indian**				
	Individuals	932,700	4.62	932,700	2.26
	Bodies Corporate	3,127,723	15.48	3,127,723	7.59
	Sub Total	**4,060,423**	**20.10**	**4,060,423**	**9.85**
2	**Foreign**				
	Individuals	177,100	0.88	177,100	0.43
	Sub Total	**177,100**	**0.88**	**177,100**	**0.43**
	Total Shareholding of Promoter & Promoter Group (A)	**4,237,523**	**20.98**	**4,237,523**	**10.28**
(B)	**Non Promoters Shareholding**				
1	**Institutional Investors:**				
	Mutual Funds	700	0.00	700	0.00
	Financial Institutions / Banks	42,539	0.21	21,066,851	51.10
	Insurance Companies	209,057	1.03	209,057	0.51
	Foreign Institutional Investors	100	0.00	100	0.00
	Sub Total	**252,396**	**1.25**	**21,276,708**	**51.61**

Sr. No.	Category	Pre Issue		Post Issue	
		No. of Shares	%	No. of Shares	%
2	**Non Institutional Investors:**				
	Individual holding nominal share capital upto Rs. 2 lakhs	7,582,824	37.54	7,582,824	18.39
	Individual holding nominal share capital in excess of Rs. 2 lakhs	2,529,195	12.52	2,529,195	6.14
	Bodies Corporate	2,346,709	11.62	2,346,709	5.69
	Any Other:				
	Clearing Members	100,292	0.50	100,292	0.24
	Non-Resident Indians (NRI)	1,839,096	9.10	1,839,096	4.46
	Overseas Corporate Body / Foreign Company	1,311,794	6.49	1,311,794	3.18
	Sub Total	**15,709,910**	**77.77**	**15,709,910**	**38.11**
	Total Non Promoters Shareholding (B)	**15,962,306**	**79.02**	**36,986,618**	**89.72**
	Grand Total (A) + (B)	**20,199,829**	**100.00**	**41,224,141**	**100.00**

The Equity Shares allotted or arising out of issuance and allotment of Equity Shares would be listed on the BSE Limited and the National Stock Exchange of India Limited. The issue and allotment would be subject to the availability of regulatory approvals, if any. As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the Stock Exchanges as may be required under the provisions of the SEBI LODR.

In terms of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, acquisition of Equity Shares of the Company being not less than 51% of the paid up capital of the Company by JLF Lenders pursuant to conversion of their debt into Equity Shares as part of the SDR Scheme in accordance with guidelines specified by RBI will be exempted from the obligation of making Open Offer as per RBI Circulars. Hence, JLF / JLF Lenders are not required to make Open Offer consequent upon allotment of proposed issue and allotment of Equity Shares.

Further, in terms of RBI Circulars and Section 62 of the Companies Act, 2013, a company may issue shares to a person other than the persons set forth in Section 62(1)(a) and Section 62(1)(b) if it is so authorized by a special resolution. Accordingly, in order to enable the Company to issue and allot Equity Shares to the JLF Lenders pursuant to the invocation of strategic debt restructuring by the JLF Lenders and for conversion of their part outstanding due amounts into equity share capital of the Company, Item Nos. 1 and 2 are required to be approved by Members of the Company by way of special resolution.

At present the Authorized Share Capital of the Company is Rs. 250,000,000/- divided into 25,000,000 Equity Shares of Rs. 10/- each. To accommodate the aforesaid issue and allotment of Equity Shares pursuant to the SDR Scheme, it is proposed that the Authorized Share Capital be increased from Rs. 250,000,000/- to Rs. 500,000,000/- divided into 50,000,000 Equity Shares of Rs. 10/- each and consequential amendments be made to the existing Clause V of Memorandum of Association and Article 3 of the Articles of Association. The approval of the Members is sought for increase in Authorized Share Capital of the Company and consequential amendments to the Memorandum and Articles of Company by way of special resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Special Resolutions set out at Item Nos. 1 and 2, except to the extant of the respective shareholding of theirs and their relatives in the Company.

The Board of Directors of your Company recommends the passing of the Resolutions as set out at Item Nos. 1 and 2 as Special Resolutions for approval of the Members.

ITEM NO. 3:

The tenure of Mr. Pramoud Rao as Managing Director for a period of five years from March 1, 2012 expires on February 28, 2017. The Board of Directors of the Company at its meeting held on December 30, 2016 has re-appointed him as the Managing Director of the Company for a further period of five years i.e. from March 1, 2017 to February 28, 2022 and approved the terms and conditions of his re-appointment including the terms of his remuneration for a period of three years, i.e. from March 1, 2017 till February 29, 2020, as approved by the Nomination and Remuneration Committee of Directors at its meeting held on the same date.

The said appointment of Mr. Pramoud Rao as Managing Director and the terms and conditions for the same including remuneration is made subject to the applicable provisions of the Companies Act, 2013 read with Schedule V to the Act and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force); and also subject to the approval of the Members and Central Government, if required.

The terms of remuneration of Mr. Pramoud Rao as Managing Director proposed for your approval, are as follows:

Salary & Grade: Rs. 600,000/- per month in the grade of Rs. 500,000 - Rs. 750,000.

Commission: Such remuneration by way of commission in addition to the salary calculated at the rate not exceeding 2% p.a. of the Net Profit of the Company in a particular financial year, as may be determined by the Board of Directors of the Company at the end of each financial year, subject to the overall ceiling stipulated in the Companies Act, 2013. However, in case of any loss incurred by the Company in any financial year, no commission shall be paid to the Managing Director.

Other Perquisites / Benefits to Managing Director: Perquisites like contribution to provident fund, superannuation fund and other retirement benefits; leave benefits, leave travel allowance; gratuity; provision of Company's owned car with driver and telephone at residence and / or mobile; reimbursement of entertainment, traveling and all other actual expenses, etc. as may be permissible under rules of the Company, relevant provisions of the Companies Act, 2013 and Rules made thereunder, Schedule V to the Companies Act, 2013 and other applicable statutory provisions, rules, regulations and guidelines, and same shall be valued accordingly.

In the event of absence or inadequacy of profits in any financial year of the Company during the said tenure of Mr. Pramoud Rao's office as the Managing Director; the remuneration, perquisites and benefits as specified above (except commission) to be paid or granted to Mr. Pramoud Rao (for the aforesaid period of three years), subject to the ceiling limit specified under Schedule V to the Companies Act, 2013; and if the said remuneration is in excess of the ceiling prescribed, necessary approval of the Central Government be obtained, if required. The Company and Mr. Pramoud Rao are in compliance with the relevant conditions of applicable provision of Companies Act, 2013 and Schedule V thereto, including that relating to his appointment as Managing Director and payment of his remuneration as proposed. In case the same requires obtaining of approval from the Central Government, the same shall be obtained at the relevant time.

The Nomination and Remuneration Committee of Directors / Board of Directors after reviewing the performance of the Company and the Managing Director may decide on the increment(s) to the Managing Director within the limits of the salary grade specified in the Resolution, subject to the ceiling limits as mentioned above and under the provisions of the Companies Act, 2013, Schedules and Rules thereon, or any modification(s) or re-enactment(s) thereof.

In terms of Section 160 of the Companies Act, 2013, the Company has received notice in writing from a Member alongwith the deposit of Rs. 100,000/- proposing appointment of Mr. Pramoud Rao as Managing Director of the Company.

A brief resume of Mr. Pramoud Rao, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards -2, are provided hereinbelow:

Name of the Director	Mr. Pramoud Rao
Father's Name	Late Shri Mangalore Vinayak Rao
Date of Birth	January 5, 1958
Age	58 years
Date of Appointment	First Date of Appointment as Managing Director: March 1, 2002 Proposed Date of Re-appointment as Managing Director: March 1, 2017
Directors Identification Number	00010743
Nationality	Indian
Expertise in specific functional areas	Marketing and Sales
Qualification	B.Sc.
Brief Profile	Mr. Pramoud Rao is a science graduate with over 25 years of business experience. He is responsible for strategic planning, local and international partnerships, acquisitions, marketing and sales, technical and branding functions of Zicom. He aims to make security solutions technology driven and affordable, so that every home and every office in India feels secure. He was Ex-President of Fire and Safety Association of India.
Terms of Appointment	The term of Mr. Pramoud Rao, as Managing Director for a period of five years expires on February 28, 2017. The Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on December 30, 2016 have re-appointed him as the Managing Director on same terms and conditions, for a further period of five years i.e. from March 1, 2017 to February 28, 2022 including the terms of his remuneration for a period of three years i.e. from March 1, 2017 till February 29, 2020. The said re-appointment is subject to approval of Members and Central Government (if required).
Remuneration last drawn	Rs. 600,000/- per month in the grade of Rs. 500,000 - Rs. 750,000
Remuneration proposed	It is proposed to pay Mr. Pramoud Rao, the same remuneration as he was paid in his earlier tenure of 5 years ending on February 28, 2017, i.e. *Rs. 600,000/- per month** in the grade of Rs. 500,000 to Rs. 750,000, which may be revised by the Board / Nomination and Remuneration Committee within the above grade. In addition to the above, Commission @ 2% p.a. of the Net Profits of the Company will be paid to Mr. Pramoud Rao. In addition, other perquisites and benefits as mentioned above are to be paid / provided. In case of loss or inadequacy of profit in any financial year, the above remuneration except Commission, is proposed to be paid as the minimum remuneration, subject to the ceiling limits prescribed under the Companies Act, 2013 read with Schedule V thereto; and if required, necessary approval will be obtained from the Central Government for the said terms of remuneration to be paid to the Managing Director. The above remuneration is exclusive of the retirement benefits.

Disclosure of relationships between Directors inter-se	Nil
Number of Board Meetings attended during F.Y. 2016-17	5
Number of Directorships in other companies	11
List of outside directorships held (includes public, private, foreign companies, companies under Section 8)	• Zicom SaaS Private Limited • Unisafe Fire Protection Specialists India Private Limited • Baronet Properties & Investments Private Limited • Coronet Properties & Investments Private Limited • Progressive Equifin Private Limited • Success Equifin Private Limited • Chaitra Telenet Private Limited • Unisafe Fire Protection Specialists LLC, Dubai • Phoenix International WLL, Qatar • Zicom Security Projects Pte. Ltd. • Unisafe Fire Protection Specialists Singapore Pte. Ltd.
List of other committees in which Director is member / chairman (includes all chairmanships / memberships of Audit Committee, Shareholders' Grievance Committee and Nomination and Remuneration Committee of all public limited companies)	Nil
Number of shares held in the Company	498,600

The information required under the Sub-clause B (iv) of Section II, Part II, of the Schedule V to the Companies Act, 2013 is given here below:

I. General Information:

1.	**Nature of Industry**	Electronic Security Systems	
2.	**Date or expected date of commencement of Commercial Production**	Not applicable	
3.	**In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus**	Not applicable	
4.	**Financial performance based on given indicators**		
		2014-2015	**2015-2016**
i.	Total Income	3,905,323,251	4,350,128,890
ii.	Net Profit after Taxation	113,019,510	17,162,889
5.	**Foreign investments or collaborations, if any**	Nil	

II. Information about the Managing Director – Mr. Pramoud Rao:

1.	**Background details:**	Mr. Pramoud Rao is a Promoter and Managing Director of the Company. He is a Science Graduate and has over 25 years of marketing experience in various conceptual product categories.
2.	**Past remuneration:**	*Rs. 600,000/- per month.
3.	**Recognition or Awards:**	Mr. Pramoud Rao has been awarded Bharat Shiromani Award.
4.	**Job profile and suitability:**	He looks after the day to day affairs and the management of the Company and is responsible for identifying strategic international business partners, strategy planning, overall marketing, sales functions and operations.
5.	**Remuneration proposed:**	It is proposed to pay Mr. Pramoud Rao, the same remuneration as he was paid in his earlier tenure of 5 years ending on February 28, 2017, i.e. *Rs. 600,000/- per month** in the grade of Rs. 500,000 to Rs. 750,000, which may be revised by the Board / Nomination and Remuneration Committee within the above grade. In addition to the above, Commission @ 2% p.a. of the Net Profits of the Company will be paid to Mr. Pramoud Rao. In addition, other perquisites and benefits as mentioned above are to be paid / provided. In case of loss or inadequacy of profit in any financial year, the above remuneration except Commission, is proposed to be paid as the minimum remuneration, subject to the ceiling limits prescribed under the Companies Act, 2013 read with Schedule V thereto; and if required, necessary approval will be obtained from the Central Government for the said terms of remuneration to be paid to the Managing Director. The above remuneration is exclusive of the retirement benefits.

6.	**Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person as Whole Time Director:** The remuneration profiles of persons at similar positions in the companies in the industry are either on the similar level or on the higher side.
7.	**Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:** Mr. Pramoud Rao is the Promoter of the Company and holds 2.47% Equity Shares in the Company in his own name. Mr. Rao also holds shares in four private companies alongwith other Promoter of the Company. Besides him there are no other pecuniary relationship, directly or indirectly with the Company and no other managerial personnel in the Company.

III. Other Information:

1.	**Reasons of loss or inadequate profits:** The remuneration of Managing Director is reasonable considering the industry standard and with that being paid to companies of similar size and scale of business. However, the same is found to be exceeding the prescribed limits under the Companies Act, 2013 read with Schedule V thereto, when calculated with respect to the Net Profits of the Company as per the last audited accounts as at March 31, 2016. While there has been an improvement in the turnover of the Company, the profitability has dropped down substantially mainly on account of high import cost of material, substantial depreciation in value of Rupee vis-a-vis various currencies, higher interest rates and increase in working capital requirements due to market condition.
2.	**Steps taken or proposed to be taken for improvement & expected increase in productivity and Profits:** The Company has taken the steps to control its operating cost and reduce working capital requirement by procuring equipments locally so as to avoid impact of exchange rate fluctuations. Also, the Company is taking steps to dilute stake in its subsidiary, so that its investments can be released to meet target of reduction in debt of the Company. Also, the Company is making arrangement to manufacture security equipments under 'Make in India' initiative of the Government by tie-ups with local manufacturers so as to reduce cost of material and improve profitability.

* Exclusive of Retirement Benefits.

** If required, necessary application will be made to the Central Government for approval of the terms of remuneration.

Mr. Pramoud Rao and his relatives are interested in the proposed Resolution upto the extent of the remuneration, perquisites and benefits that he will receive as the Managing Director as mentioned therein. Except for them, no other Director, Key Managerial Personnel or their relatives, are anyway interested or concerned in the Special Resolution set out at Item No. 3.

The Board of Directors of your Company recommends the passing of the Resolution as set out at Item No. 3 as Special Resolution for approval of the Members.

By **Order of the Board of Directors**

Date: December 30, 2016
Place: Mumbai

Kunjan Trivedi
Company Secretary

Registered Office:
501, Silver Metropolis,
Western Express Highway,
Goregaon East, Mumbai 400063.

Zicom Electronic Security Systems Limited

CIN: L32109MH1994PLC083391
Regd. Office: 501, Silver Metropolis, Western Express Highway, Goregaon (East), Mumbai 400063.
Tel.: 22 4290 4290 | Fax: 22 4290 4291 | Email: investors@zicom.com | Website: www.zicom.com

POSTAL BALLOT FORM

Sr. No.

1.	Name and registered address of the sole / first named Member and Joint Member(s), if any (in block letters)	:	
2.	Registered Folio No. / DP ID No. / Client ID No.* (*Applicable to investors holding shares in dematerialized form)	:	
3.	Number of Equity Share(s) held	:	

I / We hereby exercise my / our votes in respect of the Special Resolutions to be passed through Postal Ballot for the businesses stated in the Postal Ballot Notice dated December 30, 2016 of the Company by conveying my / our assent (FOR) or dissent (AGAINST) to the said Resolution(s) by placing a tick mark (✓) at the appropriate box below:

Resolution No.	Description	No.of Equity Shares	I/We assent to the Resolution (FOR)	I/We dissent to the Resolution (AGAINST)
1	Special Resolution under Sections 13, 61, 64 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, approving alteration of Memorandum and Articles of Association for increasing the Authorized Share Capital of the Company.			
2	Special Resolution approving conversion of Debt into Equity Shares of the Company.			
3	Special Resolution under Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder read with Schedule V of the Companies Act, 2013, approving re-appointment of Mr. Pramoud Rao (DIN:00010743) as the Managing Director for a period of five years and the terms of his remuneration for a period of three years, both w.e.f. March 1, 2017.			

E-mail ID : _____

Place : _____

Date : _____

_____
(Signature of the Member)

Note:

1. Please carefully read the instructions printed overleaf before exercising your vote.
2. Please send your Postal Ballot Form in the self-addressed postage prepaid envelope, enclosed herewith, so as to reach on or before 5.00 p.m. on Monday, February 6, 2017.

Zicom Electronic Security Systems Limited

CIN: L32109MH1994PLC083391
Regd. Office: 501, Silver Metropolis, Western Express Highway, Goregaon (East), Mumbai 400063.
Tel.: 22 4290 4290 | Fax: 22 4290 4291 | Email: investors@zicom.com | Website: www.zicom.com

INSTRUCTIONS

1. A Member desiring to exercise vote by physical Postal Ballot may complete this Postal Ballot Form in all respects and send it to the Scrutinizer in the attached self-addressed postage prepaid envelope. However, any envelope containing Postal Ballot Form, if deposited in person or if sent by courier at the expense of the Member will also be accepted. The Company is also offering remote e-voting facility, as an alternate, for all the Members to enable them to cast their vote electronically instead of dispatching Postal Ballot Form. The detailed procedure is enumerated in the Notes to the Postal Ballot Notice.
2. A Member can opt only one mode of voting i.e. either through e-voting or by Ballot. If a Member casts vote by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
3. For detailed instructions on e-voting, please refer to the notes appended to the Postal Ballot Notice.
4. The self-addressed postage prepaid envelope bears the address of the Scrutinizer. Members are requested not to send any other paper along with the Postal Ballot Form in the enclosed self-addressed postage prepaid envelope and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
5. This Postal Ballot Form should be duly completed and signed by the Member. In case of joint holding, this Form should be completed and signed (as per the specimen signature registered with the Company or furnished by National Securities Depository Limited / Central Depository Services (India) Limited to the Company, in respect of shares held in the physical form or dematerialized form respectively), by the first named Member and in his absence, by next named Joint Member, if any. Where an authorized representative of a body corporate / trust has signed the Postal Ballot Form, a certified copy of the relevant authorization to vote on the Postal Ballot should accompany the Postal Ballot Form. Where the Form has been signed by a representative of the President of India or of the Governor of a State, a certified copy of the nomination should accompany the Postal Ballot Form. A Member may sign the Postal Ballot Form through an Attorney appointed specifically for this purpose, in which case an attested true copy of the Power of Attorney should be attached to the Postal Ballot Form.
6. Unsigned, incomplete, improper or incorrect Postal Ballot Form will be rejected. The Scrutinizer's decision on the validity of the Postal Ballot Form shall be final and binding.
7. The Postal Ballot shall not be exercised by a proxy. There shall be one Postal Ballot for every folio, irrespective of the number of Joint Member(s). Voting rights shall be reckoned on the paid-up value of the shares registered in the name of Member whose name appears in the Register of Members / Record of Depositories as on December 30, 2016 (cut-off date). As the present face value of the Company's share is Rs. 10/-, a holder of each fully paid share of Rs. 10/- shall be entitled to one vote.
8. Kindly ensure that duly completed Postal Ballot Form reaches the Scrutinizer not later than 5:00 p.m. on February 6, 2017. Any Postal Ballot Form received after this date and time will be strictly treated as if the reply from the Member has not been received.
9. A Member may request for a duplicate Postal Ballot Form, if so required or can download from the Company's website. However, the duly filled-in duplicate Postal Ballot Form should reach the Scrutinizer not later than the date and time specified under instruction 8 above.
10. Members from whom no Postal Ballot Form is received or received after the date and time specified under instruction 8 above, shall not be counted for the purposes of passing of the Resolution(s).
11. A Member need not use all his votes nor he need to cast all his votes in the same way.
12. The Results of the Postal Ballot will be announced not later than February 8, 2017 at 5:00 p.m. at the Registered Office of the Company at 501, Silver Metropolis, Western Express Highway, Goregaon (E), Mumbai 400063 and will also be informed to the Stock Exchanges and posted on the Company's website www.zicom.com.
13. Votes will be considered invalid inter alia, on the following grounds:
    a) A Postal Ballot Form other than one issued by the Company has been used.
    b) If the Member's signature does not tally with the specimen signature registered with the Depositories / Registrar / Company.
    c) If the Member has marked all his shares both in favour and also against the Resolution.
    d) If neither assent nor dissent is mentioned.
    e) If the Postal Ballot Form is unsigned.
    f) If the Postal Ballot Form is received in torn or defaced or mutilated condition to an extent that it is difficult for the Scrutinizer to identify either the Member or the number of votes or as to whether the votes are in favour or against or if the signature could not be checked or on one or more such grounds.
    g) If the Postal Ballot Form is received in such a state that it is incomplete, or incorrect, or otherwise it is not possible to assess the Member's intention to vote.